State Of Montana

Agency IT Plan

Template

FOR FY2010 - FY2015 IT PLAN UPDATE

Should you have any questions or comments regarding this template, or desire additional copies, please contact:

Warren Dupuis
CIO Support Officer
Telephone: 406-444-0415
E-mail: wdupuis@mt.gov
Website: *http:/www.mt.gov/itsd/stratplan/statewideplan.asp*

INFORMATION TECHNOLOGY SERVICES DIVISION

Dick Clark, CIO

Warren Dupuis, CIO Support Officer

January 7, 2010

TABLE OF CONTENTS

This page intentionally blank.

The Montana Lottery was created by a vote of the people in 1986 and has grown to an organization with a staff of 31 people. Through fiscal year 2009 the Lottery generated over $163 million in revenue for state programs as determined by the legislature.

The Lottery offers two types of products – lotto games and scratch games. In addition, the Lottery, through an agreement with the Montana Board of Horse Racing, facilitates Fantasy Sports Betting under the umbrella of Montana Sports Action (MSA). Since implementation of Fantasy Sports games, the Lottery's retail base has increased to more than 700 retailers, a 20 percent increase. In an economy where most other lottery jurisdictions have struggled to stabilize sales, game innovation and the expanded retailer base have led to an increase of more than 6 percent in Scratch sales, and sustained online sales between fiscal year 2008 and 2009.

The majority of sales and revenues are from sales of Powerball tickets. The game began in April 1992 and was modified in fiscal years 1998, 2001, 2002, 2006 and most recently in 2010, when MegaMillions and Powerball states began selling both games. This makes a total of, ultimately, 43 states selling both MegaMillions and Powerball.

The Lottery continues to introduce new scratch tickets in approximately the same number each year. Most Lottery retailers carry 24 games at any one time. A popular product in Montana is the $2 ticket, which includes games like Bingo and Crossword. Recent initiatives for Scratch games have included licensed property products, like Pac-Man, World Poker Tour (WPT), or Harley-Davidson. Some licensed property games allow for merchandise prizes and the Lottery has made use of VIP clubs through its internet sites to offer players opportunities to win Second chance contests.

Intralot USA was picked as our Lottery Operating systems vendor and started their system on 31 March 2006.   The terminals are compact and communicate over a redundant satellite network to state of the art servers. Most of our retailers also have ticket checkers. Players are able to check their own tickets, scratch or lotto, for winners. This frees up the retailer clerks and adds a new level of security for our winners.

The Lottery Operating system is new and improved and saves the State approximately $14 million over the life of the contract as compared to our former contract. There is no need to bring down the retailer network for backups or downloads, so we have 24 hours of service except for a minute or two break at 12 midnight.

During 2014, the Lottery will again begin the request for proposal process for the Lottery Operating System so that a contract will be in place when the present contract expires on 31 March 2016. Even though this is a major procurement action, it is not considered an EPP action because no funds will be requested. The contractor is paid a percentage of sales during the life of the contract for all services.

The integrity of the Lottery Operating systems is paramount. There are numerous checks and balances in the systems. One such system is the Internal Control System; it is

an independent system totally separated from the rest of the Operating systems. It is used to verify, through an independent computation, total drawing sales and numbers of winners for each of our lotto games. It also tracks sales and winners on the scratch tickets. Access to all parts of the Lottery Operating systems is controlled by our Security Division, allowing minimum access for staff members but still allowing them to perform their job duties.

We are the first lottery to use the two (2) dimensional bar code (the same type of barcode found on the Montana Drivers License) on our scratch and lotto tickets. This barcode cannot be read by the naked eye because of its unique patterns. It, however, can be partially destroyed and still provide an accurate read. If our old barcodes were even slightly obliterated, the retailer would have to manually enter the validating numbers. The 2 dimensional barcode has built in redundancy and can store more data in the same amount of space as the older types.

The Montana Lottery continues to keep software and hardware systems aligned with the needs of the users, state standards, available budget dollars and the latest technology.

SECTION 1: AGENCY CONTACT INFORMATION

Agency Name:

Role: Plan Owner

Name:	George E. Parisot, Director
Telephone Number:	(406) 444-5825
EMail Address:	GParisot@mt.gov

Role: IT Contact

Name:	Paul Gilbert, Director, Information Technology Services
Telephone Number:	(406) 444-5810
EMail Address:	pagilbert@mt.gov

Role: IT Contact (Alternate)

Name:

Telephone Number:

EMail Address:

SECTION 2: AGENCY IT MISSION

2.1 Agency IT Mission Statement

Closely monitors the contractor who provides technology services for all Lottery operations including inventory, validation, accounting and the retailer network and terminals. In operating and maintaining the Lottery LAN, keep software and hardware systems aligned with the needs of the users, state standards, available budget dollars and the latest technology.

SECTION 3: AGENCY SECURITY PROGRAM

3.1 Security Program

The Lottery maintains a security program that conforms to State policies. Passwords are changed every 60 days. Individual users are limited to those data files that they have a genuine need to access. Our administrative network connected to the State wide area network is protected by firewalls controlled by the Lottery. These firewalls ensure that no one else, even on the State WAN can see Lottery servers, personal computers and printers. Both Information Technology Services Division (ITSD) and the Montana Lottery have their respective passwords to the firewall devices and both are needed to make any changes. The Lottery reviews these configurations on a semi annual basis.

The same firewalls protect the network connection from the Lottery to our contractor that operates and maintains the Lottery operating system (on-line system). This fives the Lottery access to the reports from the on-line system enabling the Lottery to perform the various accounting and management functions, order and ship instant tickets and validate and pay winning tickets. That is accomplished through an intranet connection to the contractor's servers. Our contractor does not have any access through this connection nor does the rest of the State network have access to the Lottery operating system.

Lottery data is sensitive because it contains financial information. Read and write access to this data is strictly controlled and is granted to only those that are functionally involved with the processes that involve this data.

SECTION 4: AGENCY IT PLAN – GOALS & OBJECTIVES

- Goals and objectives represent brief descriptions of what your agency plans to accomplish.

- This is <u>not</u> where you list your IT initiatives. You will do that in section 5.

- IT Initiatives represent special projects that you propose to support one or more of your goals or objectives.

4.1 Goals

Goal Number 1:

ITG 1   Maximize state revenues and increase the number of retailers.

Description: The Lottery must continue to increase the number of retailers always including a more diverse mix of retailers. The Lottery must always strive to offer games that are attracted to our core base of players as well as offer games that attract different groups of users.

Benefits: What benefits are realized and who realizes the benefits? The State of Montana will benefit from an increased amount of funds put into the General Fund. Our retailers will have increased sales and thereby increase their commissions. Players will benefit by being able to play more and different games. Retail locations will be more numerous which will be a greater convenience to the players.

Which state strategic goal(s) and/or objective(s) does your goal address? We help create jobs and a favorable business climate and at the same time improve government services.

Supporting Objective/Action

ITO 1-1   <Title>

Describe the business requirements or business problem driving this objective. We are always seeking ways to improve retailer sales. This is done by finding new retailers and/or increasing sales of present retailers by added displays, games or incentives.

Describe the benefits to be derived from the successful completion of this objective. As the retailer base expands, sales should increase thereby increasing revenues and the portion of those revenues that are transferred to the General fund.

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not completing this objective; risks associated with completing this objective). The risks are slight. A few retailers may not be able to sell what was expected of them.

What is the timeframe for completion of this objective? This supporting objective supports increased sales and increasing the numbers of retailers to maximize State revenues.

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed? This is a continuous action.

Supporting Objective/Action

ITO 1-2   <Title>

Describe the business requirements or business problem driving this objective.

Describe the benefits to be derived from the successful completion of this objective.

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not

completing this objective; risks associated with completing this objective).

What is the timeframe for completion of this objective?

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?

Goal Number 2:

ITG 2   Maintain Administrative Information Technology Systems within State of the Art Technology

Description We would strive to operate and maintain a state of the art administrative LAN, but still keep within budget and State IT standards.

Benefits: What benefits are realized and who realizes the benefits? The Lottery staff and the taxpayers of Montana benefit by having the Lottery utilize a cost effective, well maintained administrative network set by State IT standards.

Which state strategic goal(s) and/or objective(s) does your goal address? By providing the Lottery staff with state of the art technology to better perform their jobs while maintaining State standards published by ITSD and keeping within budget guidelines.

Supporting Objective/Action

ITO 2-1   Provide Lottery employees with state of the art personal computers and fast and efficient connections to the State LAN and to the Lottery Operating system.

Describe the business requirements or business problem driving this objective. PCs have a 4 year life cycle and must be replaced. We will replace approximately 24% of the administrative PCs every year and the administrative server once every 5 years.

Describe the benefits to be derived from the successful completion of this objective. Lottery employees will utilize state of the art hardware and software and are able to use every tool available to perform their jobs in an effective and efficient manner.

Describe the anticipated risks associated with this objective. Because of the small numbers of PCs to be purchased every year, not having the necessary funding for the replacement PCs is a slight risk.

What is the timeframe for completion of this objective? This is an annual objective and should be completed by the end of each fiscal year.

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed? N/A

Supporting Objective/Action

ITO 2-2   <Title>

Describe the business requirements or business problem driving this objective.

Describe the benefits to be derived from the successful completion of this objective.

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not completing this objective; risks associated with completing this objective).

What is the timeframe for completion of this objective?

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?

(Copy and paste the above format here to describe additional IT goals and objectives.)

SECTION 5: IT INITIATIVES (FY2010 – FY 2015)

5.1 IT Initiatives

Initiative 1 - Title: Replace the current contractor responsible for the Lottery Operating system.

Description: The current contract for the operating and maintaining of the Lottery Operating system will expire in March 2016. This system includes the accounting, validation, inventory, distribution, and the paying of winners of scratch tickets and the generation, validation, accounting of the terminal generated lotto games. The contract also includes all hardware, software and communications connecting the more than 800 retailers across the state. The Lottery must start the request for proposal process by mid 2014. This project does not require any funding from the State Legislature. Contractors are paid a percentage of each retailer sale.

EPP Number (if applicable): N/A

Initiative 2 - Title:

Description:

EPP Number (if applicable):

Initiative 3 - Title:

Description:

EPP Number (if applicable):

Initiative 4 - Title:

Description:

EPP Number (if applicable):

(Copy and paste the above format here to describe additional IT Initiatives.)

SECTION 6: ENTERPRISE ALIGNMENT

6.1 State Strategic Plan for IT Alignment

Please indicate which Communities of Interest your agency plans to be involved in. Agencies are asked to select at least one, but can select as many as needed. Further planning work by the communities of interest will take place following submission of agency IT plans.

☐ Government Services

☐ Public Safety

☐ Human Resources

☐ Environmental

☐ Education

☐ Economic

☐ Cultural Affairs

☐ Finance

Public Safety – The Lottery cooperates with law enforcement posting Amber Alert messages on our retailer terminals, state wide.

SECTION 7: EXPENDITURES

7.1 Planned Agency IT Expenditures

Expense Category	FY2010		FY2011		FY2012		FY2013		FY2014		FY2015
Personal Services	**210,061**		210,061		215,000		215,000		215,000		215,000
Operating Expenses	**156,047**		156,047		164,500		164,500		164,500		164,500
Initiatives											
Other expenditures*	**2,900,000**		2,900,000		3,000,000		3,000,000		3,000,000		3,000,000
Totals	3,266,108		3,266,108		3,379,500		3,379,500		3,379,500		3,379,500

*Contractor Services

SECTION 8: ENTERPRISE IT INVENTORY

8.1 Inventory Update

Has the Agency updated their IT Inventory Database as outlined in Section 8 of the instructions?   Yes

Date that Agency last updated their IT Inventory: 11 March 2010

SECTION 9: ADDITIONAL INFORMATION - OPTIONAL

Other types of information that support the agency's IT Plan.   Some examples might include other COI participation, reference to other IT plans such as GIS plan, eGovernment plan, security plan, staffing issues and constraints, etc.